SHER TREMONTE LLP

September 10, 2016

BY ECF

The Honorable P. Kevin Castel
United States District Court
Southern District of New York
500 Pearl Street
New York, NY 10007-1312

Re: *United States v. Hirst*, 15-cr-643 (PKC)

Dear Judge Castel:

We write on behalf of our client, Gary Hirst, regarding our intention to call Jan Golaszewski, an expert in Cayman Islands law, as a witness at trial. On September 9, 2016, the Court ordered us to provide additional disclosure of the "bases and reasons" for Mr. Golaszewski's opinion as to the duties and obligations of a director and the role of signatories under Cayman Islands law. We write to inform the Court that we are undertaking efforts to provide such additional disclosure, but because Mr. Golaszewski is currently attending a conference in Hong Kong, our efforts are taking longer than anticipated. We anticipate that Mr. Golaszewski will become fully available in the next day or so, and that we will be in a position to provide supplemental information to the government promptly.

As we have previously advised, Mr. Golaszewski will provide testimony that under Cayman Islands law, the duties and powers of directors are governed by the company's Articles of Association and resolutions of the Board. Mr. Golaszewski will also testify that under Cayman Islands law, a signatory for a fund has limited authority to transfer assets, but no control over or possessory interest in such assets. However, we note that, as we have explained to the government, Mr. Golaszewski is also offered as a summary witness, who will walk the jury through Gerova's Articles of Association and Board minutes, as well as the statutory documents of the Pennine Trust, an entity for which Mr. Hirst was a signatory during the relevant period.

In this sense, Mr. Golaszewski's testimony will be similar to that of Arthur Laby and Paul Hinton, both of whom the government originally noticed as experts, but with only cursory disclosures. *See* Exhibit A. The defense subsequently provided disclosure of its experts, including Mr. Golaszewski. *See* Exhibit B.[1] Following Mr. Hirst's disclosure, the government demanded supplemental disclosure of Mr. Golaszewski's

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[1] The initial disclosure inadvertently omitted Mr. Golaszewski's CV, which we have now provided to the government.

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testimony, but declined to provide similar disclosure for its witnesses because, it stated, these witnesses were merely "summary witnesses" who would offer "facts" about their area of expertise, and thus no expert disclosure was needed. Accordingly, Mr. Hirst subsequently provided additional information on Mr. Golaszewski's testimony in two supplemental disclosures, on September 2, 2016 and September 8, 2016. *See* Exhibits C, D. We have received no additional information from the government on Professor Laby's testimony and we have several charts from Mr. Hinton, without any disclosure as to the methodology used by either.

There is no inadequacy in the government's disclosures so long as the testimony of Mr. Hinton and Professor Laby remains of a summary or factual nature. However, given the government's representations and disclosures, we will object to the extent either offers opinion about the facts presented in this case, or hypotheticals that are analogous to the facts in this case.

Respectfully submitted,

/s/

Michael Tremonte
Justine A. Harris
Noam Biale

Attorneys for Gary Hirst

Exhibit A

U.S. Department of Justice

United States Attorney
Southern District of New York

The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007

August 1, 2016

VIA EMAIL

Anthony J. Brass, Esq.
Law Offices of Anthony J. Brass
3223 Webster St.
San Francisco, CA 94123

James Lassart, Esq.
Murphy Pearson Bradley & Feeney
88 Kearny Street
San Francisco, CA 94108

Michael Tremonte, Esq.
Sher Tremonte LLP
80 Broad St., 13th Floor
New York, NY 10004

Re: United States v. Galanis, et al.,
15 Cr. 643 (PKC)

Counsel:

The Government hereby provides notice that it anticipates calling the following individuals as expert witnesses at the upcoming trial in this matter.

Professor Arthur Laby of Rutgers University Law School will testify regarding: (1) the practices of and standards applicable to investment advisers including operating with undisclosed conflicts of interest and carrying out, absent full disclosure, inter-trading among client accounts to generate capital to meet payment obligations; (2) the Securities and Exchange Commission's filing requirements for foreign private issuers; and (3) Regulation S, which provides an exclusion from the Section 5 registration requirements of the Securities Act of 1933 for offerings made outside the United States by foreign issuers.

The Government also anticipates calling Deborah Parver Oremland of the Financial Industry Regulatory Authority ("FINRA"), who works in the Criminal Prosecution Assistance Group. Although Ms. Oremland's testimony is most accurately classified as summary rather than expert testimony, the Government makes this disclosure out of an abundance of caution. Ms. Oremland will testify regarding records she has reviewed and summary exhibits she has prepared describing investments made by clients of James Tagliaferri in promissory notes for companies owned in whole or in part by Jason Galanis. Many of the summary exhibits prepared by Ms. Oremland have already been produced to you.

Finally, the Government also anticipates calling Paul Hinton, a Principal at The Brattle Group. As with Ms. Oremland, Mr. Hinton's testimony is most accurately classified as summary rather than expert testimony, but the Government makes this disclosure out of an abundance of caution. Mr. Hinton will testify regarding voluminous records he has reviewed and summary exhibits which cover the following topics: (1) analysis of trading in Gerova stock during the timeframes relevant to the charges in the Indictment; (2) analysis of telephone contact between Gavin Hamels and the user of the 415-632-7047 telephone number during the timeframes relevant to the charges in the Indictment; and (3) tracing of the proceeds from the sales of Gerova stock issued to Ymer Shahini.

Curriculum vitae for Mr. Laby, Ms. Oremland and Mr. Hinton are attached.

Very truly yours,

PREET BHARARA
United States Attorney

By: /s Aimee Hector ____
Aimee Hector
Brian R. Blais
Rebecca Mermelstein
Assistant United States Attorneys
(212) 637-2203/2521/2360

Exhibit B

SHER TREMONTE LLP

August 23, 2016

BY ECF

Aimee Hector
Brian R. Blais
Rebecca Mermelstein
Assistant U.S. Attorneys
Southern District of New York
One Saint Andrew's Plaza
New York, NY 10007

Re: *United States v. Gary Hirst*, 15 Cr. 643 (PKC)

Counsel:

The defense hereby provides notice that it anticipates calling the following individuals as expert witnesses at the upcoming trial in this matter.

Sally L. Hoffman, CPA, CFE, CFF of Berdon LLP will testify regarding: (1) the accounting rules applicable to the preparation of Gerova's financial statements; and (2) reporting responsibilities of Gerova officers and directors. Ms. Hoffman will also provide summary testimony concerning the value of Gerova securities owned and/or controlled by Gary Hirst.

John D. Agogliati III, CFA, ASA of Berdon LLP will testify regarding the value of certain Gerova securities. To the extent not covered by Ms. Hoffman, Mr. Agogliati may also provide summary testimony concerning the value of Gerova securities owned and/or controlled by Mr. Hirst.

Jan Golaszewski, Esq. of Carey Olsen Cayman Limited will testify regarding the law of the Cayman Islands as it relates to Gerova's Articles of Association and corporate governance.

Resumes for Ms. Hoffman and Mr. Agogliati are attached.

Sincerely,

/s/ Michael Tremonte

Michael Tremonte

Exhibit C

SHER TREMONTE LLP

September 2, 2016

BY EMAIL
Aimee Hector
Brian R. Blais
Rebecca Mermelstein
Assistant U.S. Attorneys
Southern District of New York
One Saint Andrew's Plaza
New York, NY 10007

Re: *United States v. Gary Hirst*, 15 Cr. 643 (PKC)

Counsel:

The defense hereby provides additional disclosure concerning the anticipated testimony of Jan Golaszewski, Esq. and John Agogliati III, CFA, ASA.

We anticipate that Jan Golaszewski, Esq. of Carey Olsen Cayman Limited will testify concerning the law of the Cayman Islands as it relates to Gerova's Articles of Association, the constitution and operation of Gerova's Board of Directors, the interpretation of various Gerova board resolutions, the interpretation of the contract governing the relationship between Gerova and its transfer agent, and the interpretation of certain other Gerova agreements. In particular, we anticipate that Mr. Golaszewski will offer his opinion that under the board resolutions operative at the time and the law of the Cayman Islands as applied to these resolutions, Gerova's directors, and in particular Mr. Hirst, were legally authorized to execute documents such as the Ymer Shahini warrant agreement and to instruct CST to issue shares on behalf of the company without prior board approval.

We anticipate that John Agogliati III, CFA, ASA of Berdon LLP will testify regarding the value of certain Gerova securities. In particular, we anticipate that Mr. Agogliati will testify concerning the appropriate method for establishing the fair market value of the warrants provided to Ymer Shahini pursuant to the terms of the Shahini warrant agreement, dated March 29, 2010. We anticipate that Mr. Agogliati will testify that an accepted practice for valuing these warrants would entail application of a widely-accepted valuation model such as the Black-Scholes model (or a modified version thereof), and concerning the value that such a model would assign to the Shahini warrants, taking into account the trading price of Gerova securities and other publicly-available information during the relevant time period. Mr. Agogliati will give his opinion that the fair market value of the warrants was less than $2.2 million on or about March 29, 2010.

We do not anticipate that any other defense witness will offer expert opinion.

Sincerely,

/s/

Michael Tremonte
Justine A. Harris
Noam Biale

Exhibit D

SHER TREMONTE LLP

September 8, 2016

BY EMAIL
Aimee Hector
Brian R. Blais
Rebecca Mermelstein
Assistant U.S. Attorneys
Southern District of New York
One Saint Andrew's Plaza
New York, NY 10007

Re: *United States v. Gary Hirst*, 15 Cr. 643 (PKC)

Counsel:

The defense hereby provides additional disclosure concerning the anticipated testimony of Jan Golaszewski, Esq.

With respect to the bases for his opinion on the legal authorization for the warrant agreement and share issuance, Mr. Golaszewski reviewed the ASSAC and Gerova board minutes, including Government Exhibits 210-223, additional Board minutes produced by the government in its Rule 16 disclosures, as well as other relevant background documents, including the company's Articles of Association (Government Exhibit 200 and 224) and other documents produced to the government in defendant's Rule 16 disclosure (Bates numbers GTH000169-77), and considered the duties and obligations of a director under Cayman Islands law, based principally on two treatises, Palmer's Company Law and Bowstead and Reynolds on Agency.

In addition, we anticipate Mr. Goleszewski will testify that, under Cayman Islands law, a signatory on an account has the power to make payments from the account, but has no further authority or obligations with respect to such payments. That conclusion is based on Mr. Goleszewski's review of documents produced to the government in defendant's Rule 16 disclosure (Bates number GTH000359-000675) and background concepts of Cayman Islands law regarding the role of signatories.

Sincerely,

/s/
Michael Tremonte
Justine A. Harris
Noam Biale